

**PREPARED TESTIMONY OF JONATHAN M. ORSZAG
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U.S. DEPARTMENT OF COMMERCE**

BEFORE THE SENATE COMMITTEE ON INDIAN AFFAIRS

**INVESTING IN INDIAN NATIONS:
BUILDING TRIBAL SELF-GOVERNMENT AND ECONOMIC DEVELOPMENT**

Mr. Chairman, Senator Inouye, and Members of the Committee, my name is Jonathan Orszag and I am the Director of Policy and Strategic Planning at the Department of Commerce. In that capacity, I serve as Secretary Daley's chief policy advisor and my office is responsible for coordinating policy development and implementation for the Department.

I am joined today by a new member of my office, Marcia Warren, who serves as the Senior Policy Advisor to the Secretary for Native American Affairs. Ms. Warren and I are pleased to represent Secretary Daley today to discuss the Department's Native American initiatives in the FY2001 budget.

We would like to emphasize the commitment of Secretary Daley, Deputy Secretary Mallet, and the entire Department to working in partnership with tribes to provide solutions to the obstacles many Native communities face in this new millennium. From the Census to economic development, and from tourism to trade, the Commerce Department can help empower Native communities with the right tools to create a successful model of economic selfsufficiency, based on their own terms.

Before we discuss our new budget initiatives, I would like to inform the Committee about the activities Ms. Warren has been leading since her appointment three months ago.

Last year, I came before this Committee and reported that the Secretary was committed to creating a senior level position to coordinate all of our efforts to help Native Americans and to advise him on Native American affairs. This new effort -- which, Mr. Chairman, you had long advocated for -- will be led by Ms. Warren, a member of the Santa Clara Pueblo tribe of New Mexico.

The creation of this position formalized the Department's commitment to working in partnership with the Native American community. Through the Senior Policy Advisor on Native American Affairs - a career position - the Commerce Department can directly address the needs of Indian country.

As soon as Ms. Warren assumed her position in November, she created a Native American Affairs hotline and established the Department's first Native American Affairs Working Group, with representatives from each of the Department's nine bureaus. The purpose of this Working group is to identify and develop policies concerning Native Americans within each Commerce bureau; ensure that the bureaus are fulfilling the Government-to-Government relationship; provide and exchange information pertinent to Native American Affairs and issues concerning the Department and its bureaus; and, as necessary, participate in inter-agency working groups and task forces.

the Group has been meeting regularly to accomplish their three immediate goals:

- Develop a long-range plan to institutionalize and coordinate the efforts of the Department and its bureaus regarding tribal governments, Native American businesses, and tribal colleges. This plan will support the Department's American Indian and Alaska Native Policy by establishing a detailed strategy to focus the Department's resources towards their best utilization by tribes;
- Increase accessibility to the Department's programs and services through outreach and consultations with tribes and Native American businesses; and,

- Create two important new resources for use by the Native American community: a printed guide to Commerce Department resources for Native Americans, and a Commerce Department Native American programs and assistance web site. These new efforts will strengthen the Department's contribution to the new Native American Economic Development Access Center, which will provide a toll-free number so that Native Americans, businesses, and others have access to information about economic development activities in Indian country.

Each goal is already in progress and close to completion, bringing the Department closer to providing the maximum benefit of its resources to tribes and Native American businesses.

In addition to strengthening our internal infrastructure, we are pleased to introduce the Native American initiatives in our FY2001 budget. We feel these initiatives will extend our current resources and abilities to address effectively some of the greatest issue areas for Native Americans today: economic development, technology infrastructure, and international trade and tourism. Let me add that these initiatives are part of a larger Presidential initiative, which seeks to increase investments in Native American communities by \$1.2 billion -- the largest increase ever.

Native American Economic Development Program Initiative - Economic Development Administration (EDA)

While America's economy is in the midst of its longest economic expansion in history, the poverty and unemployment rates in our Native American communities is still far too high. Since President Clinton, Vice President Gore, and Secretary Daley believe strongly in the value that America does not have a person to waste - or a community that can be left behind, we are proposing a dramatic expansion of resources at the Department's Economic Development Administration (EDA) for Native American communities.

Specifically, we are requesting \$49.2 million for a new Native American Economic Development Program Initiative. This initiative would provide \$5 million in economic adjustment funding, \$5.2 million for planning and technical assistance, and \$39 million for infrastructure in Native American communities. If enacted, the infrastructure investment in Native American communities in 2001 alone would be greater than during seven years from 1993 to 1999 combined.

The purpose of this initiative is to fund capacity building, including planning and technical assistance, revolving loan funds and capital access, and infrastructure projects that are needed for American Indian tribes and Alaskan Native Villages. We believe strongly that these investments would pay dividends, helping lift the standard of living of Native Americans.

Priority will be given to new capacity building programs and projects that support the growth of Native-owned businesses in Native communities; strengthen the economic infrastructure of Native communities, including the deployment and enhancement of technology infrastructure; support sustainable economic development opportunities in Native communities, including the development of natural resource-based economies; and support workforce development programs, including skill-training and distance learning facilities.

Closing the Digital Divide in Indian Country - Economic Development Administration (EDA) and National Telecommunications and Information Administration (NTIA)

On December 9, 1999, President Clinton and Secretary Daley focused the country's attention on the issue of the telecommunications and information technology gap in America at the Department of Commerce's "Digital Divide Summit." At this summit, Susan Masten, the President of the National Congress of American Indians, highlighted that Native American households are significantly less likely to have a telephone, and significantly less likely to have access to a computer or the Internet.

If we do not address the issue of the digital divide, we believe that Native American communities will fall further and further behind. We can not let that happen.

EDA's Native American Economic Development Program Initiative would help create digital opportunity in Indian country by providing badly needed investments for physical infrastructure, planning assistance, and workforce development. Coupled with the Administration's and the Department's other initiatives - for example, our new broadband deployment initiative, a tripling of the Technology Opportunities Program, and our new Home Internet Access initiative - we believe that this new budget would go a long way to closing the digital divide in Indian country.

But in order to truly solve this problem, the government will need to work in partnership with the private sector. And we look forward to working with them - and this Committee to address this important issue. Native American International Trade and Tourism - International Trade Administration (ITA)

Finally, we have requested \$5 million for the International Trade Administration (ITA) to continue and expand its rigorous outreach program under its Global Diversity Initiative. The purpose of this initiative is to first identify Native-owned firms with core attributes -- for example, the management skills, sound products, and internal resources -- for successful international sales., and then to help provide them with sufficient capability to become successful exporters through training, trade missions, and specific Native American Export Incubator projects.

In addition, this initiative will facilitate an inter-agency tourism development effort targeting up to 10 pilot communities, utilizing cultural heritage tourism as a tool for economic development, export growth, and community pride. The Initiative will include a specific Native American travel and tourism development project.

Mr. Chairman, Members of the Committee, thank you for this opportunity to present the Department's new goals and initiatives for the coming fiscal year. Ms. Warren and I would be pleased to respond to any questions you may have.